10/23/87 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 9 SEPTEMBER 1987

PAPER AND PAPERBOARD PRODUCTION, AUGUST-SEPTEMBER 1987: NEW STRENGTH

After following a virtually flat trend during the first 7 months of 1987 the rate of production jumped sharply upward in August. At a sensational 75.0 million tons per year, the August production rate was 4.3% above its year-ago level -- which itself was a new high -- and brought the 8-month 1987 rate to 73.5 million tons per year. As the table on page 3 shows, this cumulative rate was 4.8% above that of the comparable 1986 total.

Data on production in the first three weeks of September indicate production is holding close to that high, at a rate above 74 million tons per year. While the seasonal factors used to adjust the monthly totals are rather tentative because of recent changes in the work rules permitting operations throughout July and December, the seasonally adjusted rates only confirm the strength shown in the raw data.

The production gains were spread throughout the grade structure. The January-August rate of paper production, at 36.5 million tons per year, was 3.8% above its year-ago level; paperboard, at 37.1 million tons per year, was up 5.8%.

Paper:

The strongest production trends among the paper grades continue to be shown by the major printing paper grades and the "other packaging and industrial papers".

Total printing-writing papers, at 20.4 million tons per year, gained 5.6% in the January-August 1987 period over their year-earlier level. Coated papers continued to show the most strength; at 6.7 million tons per year, production was 10.6% above its year-ago rate; the current rate is close to the available capacity. Coated paper capacity grew by a reported 800,000 annual tons in 1986, but no major increases are expected in coated paper capacity until 1989 when, according to present plans, another 360,000 tons will be brought on

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stream. Commercial printers continue to demand the greatest increases in coated paper over year-ago levels, but label and wrap manufacturers, and "other converters" are also increasing their use of these papers. Shipments to magazine and other periodical publishers are also above year-ago totals.

Shipments of uncoated free sheet papers, at 10.8 million tons per year, were 4.7% ahead of their year-ago rate in the first 7 months of 1987. Major increases in demand are coming from office-copy paper producers, commercial printers, and stationery and tablet converters. Exports are rising sharply, but the tonnages are still relatively small.

Newsprint and tissue paper production continue to show modest gains over year-ago levels, with both are running at record-high rates. Unbleached kraft paper production continues weak, with the year-to-date total 8% below last year's level.

Paperboard:

The strength in paperboard demand is centered largely on the containerboard grades. Production of containerboard for domestic use in the first 7 months of 1987 was 7.2% above its corresponding 1986 total, at an all-time high of 22.8 million tons per year. Shipments of fibre boxes, at 296 billion sq. ft. per year, are also at record levels, showing 4.6% gains over year-ago levels. Inventories at mills and boxplants have traced a flat trend during the past 12 months; the September 1, 1987 level only 139,000 tons above its year-ago figure. The 1987 level was equivalent to 5.7 weeks of supply at the August rate of consumption, historically a relatively low figure.

While boxboard production for domestic use was only 3.6% over its year-earlier rate, the 6.2 million tons per year rate reported in the table on page 3 represents a new high. The July-August levels of paperboard production for exports were sharply above their first half 1987 rate, largely the result of increases in unbleached kraft paperboard. The 8-month total of production for export for all paperboard was 1.8% above its 1986 rate; if the July-August rate holds for the remainder of 1987, the gain over 1986 would reach 5%.

IMPORTS AND EXPORTS

Imports:

With the major exception of uncoated free sheet papers, and the relatively small tonnage tissue paper total, imports of paper and paperboard are continuing to expand, as are imports of wood pulp. Data through July 1987, reported on page 9, show that total wood pulp imports in the first 7 months of 1987 were up 7%, as were total imports of paper, paperboard and construction paper and board. Among the major printing paper grades, uncoated groundwood papers are running 23% above their year-ago rate and coated papers 21%. The

Continued on Page 10

PAPER AND PAPERBOARD STATISTICS

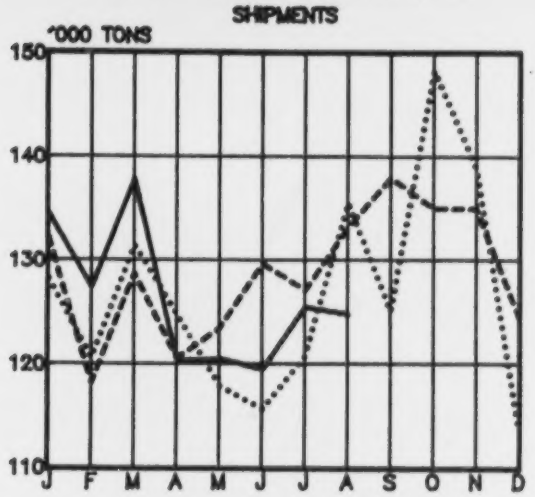
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	MAY 1987	JUNE 1987	JULY 1987 (P)	AUGUST 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,428	5,630	500	490	502	498	5,788	2.8
- Shipments	5,431	5,638	499	497	498	495	5,793	3.8
Printing & Writing Sum (R)	18,423	19,601	1,684	1,712	1,741	1,776	20,434	5.6
Groundwood Paper - Shipments (R)	1,521	1,540	121	120	126	125	1,516	0.1
- New Orders (R)	1,477	1,553	119	126	128	134	1,528	-2.3
-Unfilled Orders (R)	106	124	115	124	126	134	134	-5.1
Coated Papers - Shipments (R)	5,875	6,263	554	569	581	591	6,730	10.6
- New Orders (R)	5,642	6,334	630	651	618	621	7,029	12.3
- Unfilled Orders (R)	393	469	521	604	645	657	657	29.5
Unctd Free Sheet - Shipments (R)	9,690	10 410	893	915	931	944	10,825	4.7
- New Orders (R)	9,704	10,485	902	923	947	992	10,887	3.1
- Unfilled Orders (R)	509	587	560	560	581	610	610	-7.1
Thin Papers - Shipments	262	247	19	18	17	15	224	-10.3
Cotton Fiber Paper - Shipments	144	152	13	15	12	13	162	6.6
Bleached Bristols - Production	930	990	86	76	75	88	978	-2.2
Tissue Paper - Production	4,941	5,095	443	438	433	453	5,250	3.5
Total Packaging & Other Paper	5,204	5,117	396	407	389	412	5,034	-1.7
Unbl. Kraft Paper - Shipments	3,403	3,303	233	247	241	243	3,065	-8.3
Other Paper - Production	1,801	1,814	162	160	148	169	1,968	10.9
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,023	3,047	3,066	3,139	36,505	3.8
-Production-S.A.			3,043	3,048	3,054	3,060	36,459	3.8
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,464	2,386	2,493	2,542	28,892	5.9
Total Unbl. Kraft Paperboard	16,368	17,689	1,626	1,573	1,650	1,685	18,833	6.8
Unbl. Kraft Linerboard (1)	15,183	16,402	1,515	1,454	1,519	1,573	17,463	7.1
Production for Export	1,830	2,246	190	187	227	221	2,327	2.6
Other Unbl. Kraft Paperboard	1,184	1,287	112	119	131	112	1,370	2.8
Semichemical Paperboard	5,088	5,376	463	466	471	481	5,631	5.0
Production for Export	189	213	24	19	16	11	204	5.5
Solid Bleached Paperboard	3,948	4,271	375	347	372	377	4,428	3.3
Production for Export	466	569	50	37	44	46	574	0.8
Recycled Paperboard	7,630	8,083	647	706	664	752	8,531	5.5
Production for Export	26	70	3	5	12	5	53	-23.9
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,111	3,092	3,157	3,295	37,422	5.8
- Containerboard Prod.(Dom. Use)	20,042	21,426	1,956	1,900	1,935	2,020	22,816	7.2
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	490	490	498	544	6,154	3.6
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	398	454	425	447	5,295	4.8
- Total Paperbd Prod. for Export	2,511	3,097	267	248	298	283	3,157	1.8
TOTAL PAPERBOARD PROD.- S.A.			3,082	3,086	3,090	3,186	37,066	5.8
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,030	70,861	6,134	6,139	6,222	6,434	73,928	4.8
Production - S.A.			6,125	6,135	6,145	6,246	73,525	4.8

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

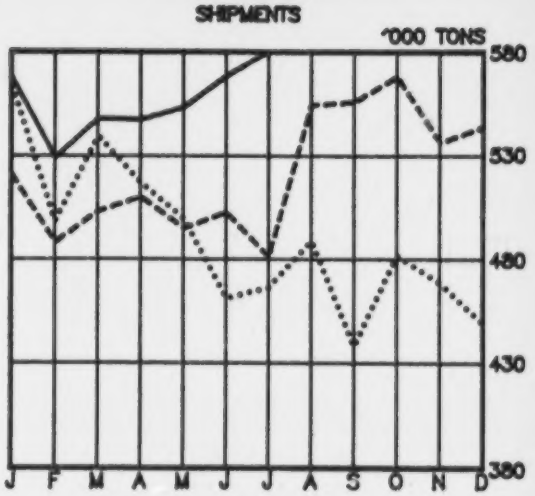
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



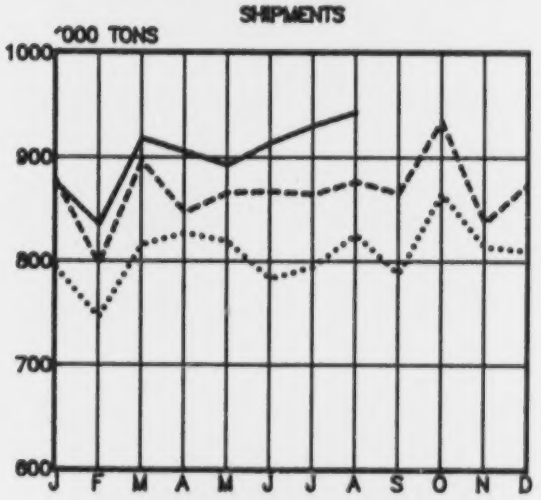
COATED PAPER

SHIPMENTS



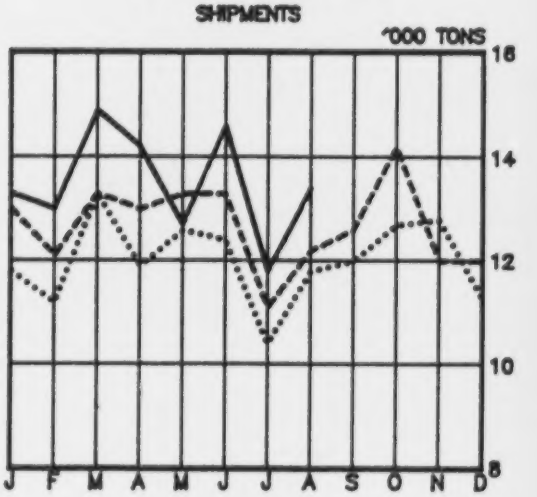
UNCOATED FREE SHEET PAPERS

SHIPMENTS



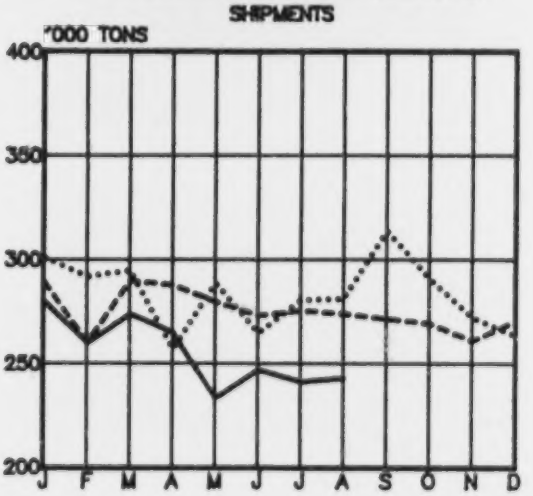
COTTON FIBER PAPER

SHIPMENTS



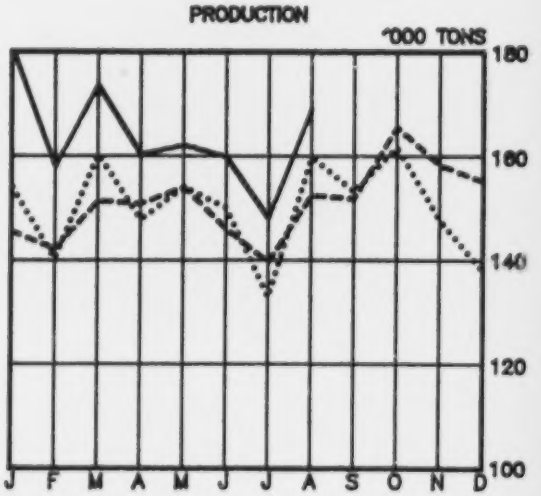
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ..... 1986 ----- 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	APRIL 1987	MAY 1987	JUNE 1987	JULY 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57,017	4,879	4,900	4,971	5,111	59,215	4.5
- Imports	4,466	4,582	377	388	390	401	4,862	7.1
- Exports	3,791	4,458	390	377	455	463	4,858	12.5
- New Supply	54,821	57,140	4,866	4,911	4,906	5,049	59,220	4.1
Dissolving Pulp - Production	1,174	1,258	108	99	113	123	1,308	5.0
- Imports	175	255	25	13	21	11	207	-15.6
- Exports	631	711	59	52	62	65	752	14.1
- New Supply	718	801	74	60	72	69	762	-8.3
Paper Grades - Production	43,696	46,081	3,964	3,981	4,035	4,141	48,034	4.9
Chemical Pulp - Imports	4,104	4,220	341	365	354	367	4,486	7.2
- Exports	3,131	3,689	329	323	391	396	4,081	13.6
- New Supply	44,668	46,612	3,976	4,023	3,998	4,111	48,439	4.4
Groundwood and - Production	5,251	5,487	450	470	468	484	5,594	2.5
Thermo-Mech. - Imports	187	108	12	10	14	23	170	58.6
- Exports	29	59	3	2	1	2	25	-62.6
- New Supply	5,409	5,536	459	477	481	506	5,740	4.3
Semi-Chemical - Production	4,027	4,191	357	351	355	364	4,279	3.0
- Imports								
- Exports								
- New Supply	4,027	4,191	357	351	355	364	4,279	3.0
MARKET WOOD PULP								
Total Market - Production	6,800	7,583	670	637	692	729	8,019	7.9
Wood Pulp - Imports	2,791	3,048	248	224	263	264	2,969	-1.7
- Exports	3,784	4,470	381	388	442	439	4,714	7.5
- New Supply	5,807	6,161	537	473	514	554	6,274	3.4
Dissolving Pulp - Production	1,172	1,251	108	99	113	123	1,303	5.4
- Imports	174	212	19	7	17	6	153	-24.7
- Exports	667	718	61	64	74	65	759	8.7
- New Supply	679	745	66	42	56	63	697	-6.0
Paper Grades - Production	5,613	6,315	561	537	579	605	6,703	8.5
Chemical Pulp - Imports	2,531	2,754	225	214	239	242	2,710	-0.8
- Exports	3,117	3,752	320	325	368	375	3,956	7.3
- New Supply	5,028	5,317	466	426	450	473	5,457	4.5
Groundwood Pulp - Production	15	17	1	1	1	1	13	-21.6
and All Other - Imports	86	83	5	4	6	16	106	23.9
- Exports	1	0	0	0	(1)	0	0	0.0
- New Supply	100	99	6	5	8	17	120	17.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

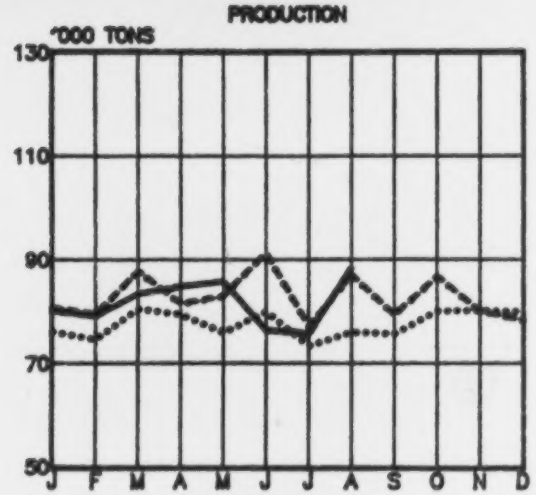
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	69,670	72,990	6,225	6,351	6,332	6,437	75,828	4.4
Total Wood Pulp	54,047	56,320	4,788	4,851	4,859	4,984	58,411	4.3
Waste Paper	15,623	16,670	1,437	1,500	1,474	1,453	17,417	4.9
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	165	174	186	183	177	173	173	-2.0
Producers' Market Inventories	485	284	300	286	276	281	281	-20.5
Consumers' Purchased Inventories	503	569	580	570	593	608	608	2.2
Waste Paper at Paper & Bd. Mills	969	832	775	752	773	797	797	-4.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	16	15	15	15	15	-25.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

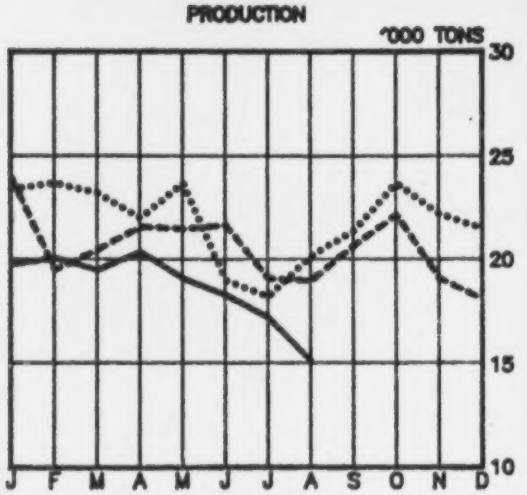
BLEACHED BRISTOLS

PRODUCTION



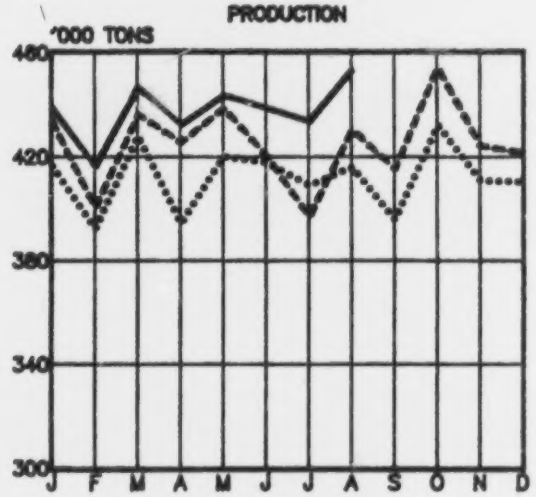
THIN PAPER

PRODUCTION



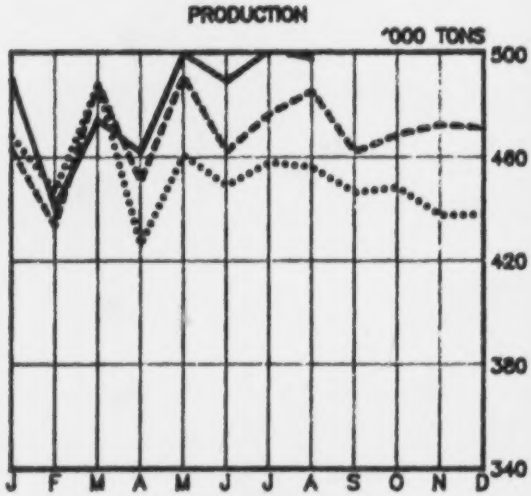
TISSUE PAPER

PRODUCTION



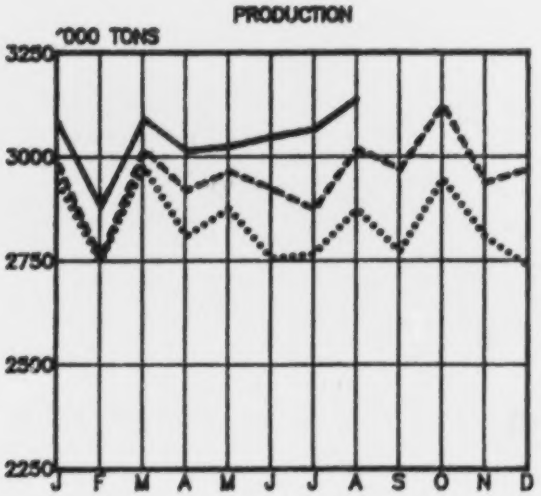
NEWSPRINT

PRODUCTION



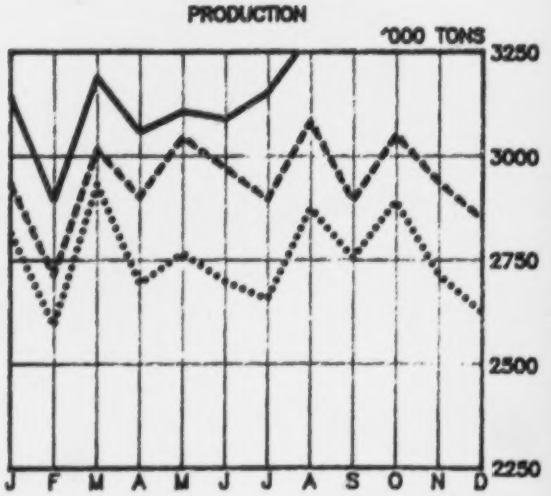
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ..... 1986 ----1987 ——

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

SEPTEMBER 30, 1987

PRODUCTION (000 TONS)

	AUGUST	JULY	AUGUST	FIRST EIGHT MONTHS		% CHANGE YR TO DATE
	1987	1987	1986	1987	1986	1987/1986
PAPER GRADES						
Newsprint	498	502	486	3,858	3,754	2.8
Printing & Writing	1,776	1,741	1,677	13,623	12,896	5.6
Uncoated Groundwood (s)	125	126	127	1,010	1,009	0.1
Coated Paper (s)	591	581	555	4,487	4,057	10.6
Uncoated Free Sheet Paper (s)	944	931	877	7,217	6,896	4.7
Thin Paper (s)	15	17	19	150	167	-10.3
Cotton Fiber Paper (s)	13	12	12	108	101	6.6
Bleached Bristols (s)	88	75	87	652	666	-2.2
Tissue Paper	453	433	430	3,500	3,381	3.5
Total Pkg & Other Paper	412	389	427	3,356	3,412	-1.7
Unbleached Kraft Packaging & Indl. Converting (s)	243	241	274	2,044	2,234	-8.3
Other Paper	169	148	153	1,312	1,183	10.9
TOTAL PAPER	3,139	3,066	3,020	24,337	23,443	3.8
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,685	1,650	1,574	12,555	11,758	6.8
Unbleached Kraft Linerboard	1,573	1,519	1,461	11,642	10,869	7.1
Other Unbl. Kraft Paperboard	112	131	113	914	889	2.8
Semichemical Paperboard	481	471	481	3,754	3,575	5.0
Bleached Paperboard	377	372	342	2,952	2,857	3.3
Recycled Paperboard	752	664	690	5,687	5,390	5.5
TOTAL PAPERBOARD	3,295	3,157	3,087	24,948	23,580	5.8
TOTAL PAPER AND PAPERBOARD	6,434	6,222	6,107	49,285	47,023	4.8

WOOD PULP (ALL GRADES)	JULY 1987	JUNE 1987	JULY 1986	First 7 Months 1987	1986	% Change 87/86
Dissolving & Special Alpha	123	113	103	763	727	5.0
Bleached Sulfite	101	104	113	728	759	-4.0
Unbleached Sulfite	14	15	12	95	98	-3.2
Bleached & Semi-Bl. Sulfate	2237	2188	1973	14977	13955	7.3
Unbleached Sulfate	1789	1728	1670	12220	11895	2.7
Semichemical	364	355	376	2496	2424	3.0
Groundwood & Thermomechanical	484	468	465	3263	3185	2.5
TOTAL PULP DIVISION DATA	5111	4971	4712	34542	33043	4.5

(s) - Shipments
(s) - Shipments R - Revised
P - Preliminary

September 30,1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	June	July	August	1987	
Total Production (API)..... excluding :...	67,030	70,861	6,139	6,222	6,434	73,928	4.8
Total Seasonally Adjusted.....construction:...			6,136R+	6,152R+	6,167R+	73,356R+	4.8
Imports (including Products).: and wet :..E	11,106	11,597	1,043	1,004	1,015	12,340	6.8
Exports (including Products).: machine :..E	4,009	4,713	485	436	480	5,224	11.0
Apparent Consumption.....: grades :...	74,127 a	77,745 b	6,695	6,719	6,702	80,471 c	4.7
Paper Production % Tonnage Capacity.....	90.5 g	93.0 g	92.7	90.1	92.5	92.9 gh	-
Paperboard Production % Tonnage Capacity.....	90.0 g	94.4 g	97.4	95.9	100.7	97.9 g	-
			May	June	July		
IMPORTS.....:Including Construction and :...	11,521	11,936	1,050	1,070	1,034	12,688	7.3
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4,807	411	493	446	5,253	9.5
			May	June	July		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6,800	7,583	637	692	729	8,019	7.9
TOTAL WOOD PULP PRODUCTION - Tons (000).....	54,147	57,017	4,900	4,971	5,111	59,215	4.5
WOOD PULP IMPORTS - TONS (000).....	4,466	4,582	388	390	401	4,862	7.1
WOOD PULP EXPORTS - TONS (000).....	3,791	4,458	377	455	463	4,857	12.5
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			May	June	July		
Wood Pulp.....:consumption for:.....	55,047	56,320	4,851	4,859	4,984	58,411	4.3
Waste Paper.....construction & :.....	15,623	16,670	1,500	1,474	1,453	17,417	4.9
TOTAL.....: WMB grades :.....	70,670	72,990	6,351	6,332	6,437	75,828	4.4
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	7,582	7,723	8,195	93,967	3.0
EMPLOYMENT (000)			Jun	July	August		
Paper and Allied Products.....Total.....	677.7	674.3	683.5	678.9	681.0	676.8	0.7
Pulp, Paper and Board Mills.....Total.....E	252.3	248.5	249.1	246.9	247.0	246.7	-0.7
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			Jun	July	August		
Paper and Allied Products.....	10.82	11.14	11.42	11.48	11.41	11.34	2.1
Pulp, Paper Mills.....E	13.11	13.58	13.91	14.06	13.99	13.88	2.8
Paperboard Mills.....E	13.60	14.01	14.27	14.37	14.25	14.17	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.57	8.06	8.77	8.48 y	-3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			June	July	August		
:IN PULP, PAPER :...Production Workers.....	123.6	131.2	138.8	139.8	127.5	136.9	5.2
:AND BOARD MILLS:...All Employees.....	122.1	130.4	136.6	138.1	125.2	134.4	3.8
PAPER AND ALLIED PRODUCTS (Million $)			June	July	August		
Industry Shipments (Dept. of Commerce)*.....	97,664	106,322	9,786	10,275	9,865	115,667	13.3
Pulp, Paper and Paperboard*.....	41,830	45,565	4,114	4,543	4,265	49,757	14.2
Inventories (End of Period) - Total Industry*..	9,728	10,250	10,906	10,923	11,015	11,015	9.0
Pulp, Paper and Paperboard*.....	3,800	4,078	4,175	4,141	4,170	4,170	5.5
			1986 Q4	1987 Q1	1987 Q2		
Sales (Corporations Only).....	71,465	74,844	19,948	19,941	21,553	82,988	15.3
Earnings (Corporations Only).....	2,880	3,280	957	996	1,206	4,404	46.4
Depreciation (Corporations Only).....	3,099	3,389	883	951	942	3,786	13.8
Net Worth (Corporations Only).....	29,694	31,221	31,221	32,231	32,843	32,843	7.7
PRICE INDEXES (Bureau of Labor Stats)1967=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	309.6	311.5	312.8	308.9	6.1
Wood Pulp.....	346.6	358.8	426.5	420.8	422.6	414.1	18.8
Waste Paper.....	148.8	172.8	221.8	226.2	227.0	215.2	36.1
Paper.....	303.4	306.3	314.2	318.0	319.5	316.0	4.0
Paperboard.....	274.6	271.6	295.1	296.3	300.7	295.5	10.0
PAPER DEMAND (INDEXED 1977=100)			June	July	August		
Total Paper Production *.....	122.8	127.9	131.6R+	131.7R+	131.9R+	131.3R+	3.8
Paper New Supply *.....	128.7	133.6	138.6	138.0	138.3	138.1	4.2
Demand Indicators - (Weighted Average) *.....	142.0	149.3	157.6	158.1	158.0	155.5	4.9
Production of Nondurable Goods *...(21.2%).	125.3	130.9	137.7	139.0	139.2	136.5	4.9
Disposable Income .....*.(23.9%)	128.4	133.6	134.3	134.6	134.4	134.4	0.8
Total Printing and Publishing *...(54.9%).	154.3	163.3	175.5	175.7	175.6	172.0	6.4
Trend Factor	---------- Not Available ----------						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	114.3	122.0	128.4R+	128.9R+	129.4R+	127.7R+	5.8
Production for Domestic Use	112.8	118.9	126.1	124.4	125.6	124.6	6.1
Demand Indicators - (Weighted Average) *.....	120.1	122.1	126.0	126.9	127.2	125.4	2.9
Production of Consumer Goods *...(62.06%)	120.5	124.5	128.6	129.3	129.5	128.0	3.2
Production of Equipment *...(5.75%)	146.4	142.8	147.1	147.9	149.3	146.0	2.2
Production of Materials *...(32.19%)	114.5	113.9	117.2	118.6	118.9	116.6	2.5
Trend Factor	---------- Not Available ----------						
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).....	12,773	13,158	1,183	1,085	1,085	13,082	2.3
Newspaper Pub. and Printing Empl. Total(000)...	454	461	459	461	462	459	-0.3
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	155,545	153,300	13,637	12,619	9,312	143,610	-1.1
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts..ex Wallpaper..Sales	36,798	40,521	3,530	3,979	3,980	44,623	12.7
Inventories (End of Period).	3,267	3,552	3,528	3,540	3,536	3,536	5.4
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).....	267,451	283,921	25,455	25,349	24,977	296,084	4.6
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,385	2,497	2,483	2,483	5.9
RETAIL TRADE (Million $)			June	July	August		
Total Retail Sales *.....	1,372,853	1,445,568	126,307	126,990	128,607	1,498,775	5.4
Nondurable Goods Stores Sales *.....	859,316	882,505	77,326	77,632	78,125	923,057	5.0
GENERAL ECONOMIC DATA			June	July	August		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	129.2	130.3	130.7	128.4	2.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	308.5	310.2	310.5	305.9	1.8
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	340.1	340.8	342.7	337.9	3.3
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	580.1	585.3	591.2	591.2	2.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1986 Q4	1987 Q1	1987 Q2		
G.N.P. or Expenditure - Current $.....	4,010	4,235	4,288	4,378	4,445	4,411	5.2
G.N.P. or Expenditure - 1982 $.....	3,607	3,713	3,732	3,772	3,795	3,784	2.2

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 620 + 18 = 638 239.3
.b - 644 + 17 = 661 241.6
.c - 661 + 17 = 678 243.8
.e - estimated by API

t - Wood Pulp Production excludes det., explo & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to Conform with API Division data
j - Census unpublished data: standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.
R+- Revised from data on page 3.
* - Seasonally Adjusted.

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	APRIL 1987	APRIL 1987	JUNE 1987	JULY 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85,499	90,943	7,873	7,382	7,743	8,264	94,186	3.9
	- Total Consumpt	85,744	91,434	7,855	7,582	7,723	8,195	93,967	3.0
	- Residues *	30,464	32,755	2,783	2,629	2,739	2,778	32,630	-1.4
	- Inventories	5,046	4,794	4,950	4,557	4,651	4,782	4,782	-1.1
So. Atlantic	- Total Receipts	27,589	29,513	2,523	2,370	2,555	2,688	30,610	3.0
	- Total Consumpt	27,815	29,425	2,515	2,580	2,530	2,651	30,617	3.3
	- Residues *	7,970	9,343	721	748	768	835	9,098	-1.5
	- Inventories	1,117	994	922	963	992	1,025	1,025	-3.5
Northeast	- Total Receipts	7,430	7,277	502	511	586	572	7 095	-1.1
	- Total Consumpt	7,394	7,227	615	561	580	591	7,265	-1.7
	- Residues *	1,539	1,419	117	118	147	108	1,553	10.1
	- Inventories	544	484	430	402	440	447	447	27.4
South Central	- Total Receipts	29,786	31,790	3,007	2,565	2,734	2,982	33,674	7.2
	- Total Consumpt	29,914	32,113	2,812	2,561	2,752	2,937	33,067	3.9
	- Residues *	9,207	9,792	912	803	872	825	10,239	6.2
	- Inventories	1,198	926	1,101	1,062	1,033	1,088	1,088	9.7
North Central	- Total Receipts	6,430	6,571	409	431	545	607	6,483	0.9
	- Total Consumpt	6,296	6,730	551	547	575	563	6,747	0.6
	- Residues *	1,290	1,042	85	81	86	109	1,056	1.0
	- Inventories	884	892	949	809	811	884	884	12.0
West	- Total Receipts	14,264	15,792	1,432	1,305	1,323	1,415	16,323	2.5
	- Total Consumpt	14,325	15,939	1,362	1,333	1,286	1,453	16,270	3.6
	- Residues *	10,458	11,159	948	879	866	901	10,683	-9.0
	- Inventories	1,303	1,498	1,548	1,321	1,375	1,338	1,338	-18.5

* - Consumption or Residues in Cord Equivalents. SOURCE: American Pulpwood Association 23-Sep 87

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1986 ($000's)	JUNE 1987 Tons	JUNE 1987 ($000's)	JULY 1987 Tons	JULY 1987 ($000's)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	28	3	2,186	212	4,809	-87.9
Pulpwood chips	723,257	19,486	33,740	806	33,822	1,048	362,853	-56.3
Wood Pulp, Total	3,949,414	1,422,180	350,254	151,829	352,301	151,275	4,362,101	11.6
Waste Fibrous Materials, Total	157,870	27,196	15,400	2,986	14,126	2,319	189,085	13.1
Paper, Board & Products, Total	9,963,486	4,467,761	900,550	405,012	863,501	417,410	10,632,976	7.0
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,820	888,918	385,208	853,241	400,500	10,485,759	6.8
Paper, Paperboard & Products	9,715,710	4,393,592	882,286	399,647	842,357	411,463	10,396,883	7.3
Paper & Paperboard, Only	9,584,378	4,194,651	870,653	379,843	832,097	394,553	10,249,666	7.1
Paper, Total	9,367,380	4,130,464	847,953	373,067	814,725	389,004	10,004,765	7.0
Newsprint	8,269,333	3,556,983	740,785	316,518	707,216	331,105	8,683,323	4.1
Printing, Writing & Rel. Pap.	868,628	457,685	86,362	45,132	88,810	48,222	1,059,481	32.2
Pack. & Ind. Conv. Paper	182,481	81,492	16,366	7,970	15,205	7,039	216,944	25.8
Special Industrial Paper	4,766	7,893	471	919	165	309	5,631	27.2
Tissue Paper	42,173	26,411	3,969	2,529	3,331	3,329	39,385	11.3
Paperboard, Total	226,998	64,187	22,700	6,776	17,372	5,548	244,902	12.4
Convtd Paper&Paperbd Products	121,332	198,941	11,633	19,804	10,259	16,911	147,217	25.9
Wet Machine Board	2,332	1,570	329	213	193	139	2,993	30.7
Construction Paper & Board	245,444	72,599	17,935	5,152	20,952	5,808	233,100	-6.9

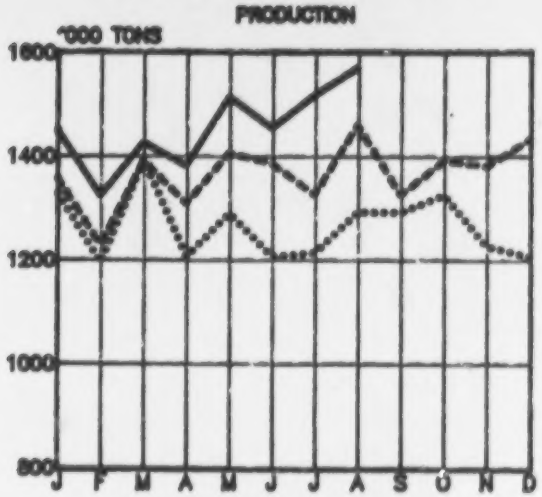
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,201	0	0	0	0	2,993	-92.9
Pulpwood chips	262,844	13,577	5,131	291	4,362	3,220	77,976	4.9
Wood Pulp, Total	262,353	76,591	17,310	6,721	14,959	5,578	197,619	-16.2
Cotton Pulp & Other Pulp	33,629	10,458	3,441	921	5,512	1,328	44,604	69.7
Waste Paper	226,215	23,254	26,535	2,864	25,833	2,848	269,907	38.3
Paper, Board & Products, Total	846,141	464,795	81,515	54,280	73,239	43,430	887,126	-3.6
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	691,355	315,820	60,102	35,177	50,974	27,421	665,698	-13.8
Paper, Paperboard & Products	816,282	452,239	77,750	52,629	70,202	42,186	850,795	-4.8
Paper & Paperboard, Only	661,496	303,265	56,337	33,725	47,937	26,177	629,368	-15.6
Paper, Total	278,911	200,168	27,416	22,732	21,513	16,784	295,291	-0.6
Newsprint	6,040	4,457	531	446	654	479	5,538	41.8
Printing, Writing & Rel. Pap.	121,167	99,480	14,355	10,828	11,540	9,171	145,054	17.5
Pack. & Ind. Conv. Paper	25,614	16,467	1,712	1,398	1,788	1,281	24,299	-6.9
Special Industrial Paper	122,874	75,189	10,531	9,555	6,137	5,279	114,974	-18.3
Tissue Paper	3,217	4,577	287	505	1,393	574	5,426	84.6
Paperboard, Total	382,584	103,096	28,921	10,993	26,424	9,393	334,077	-25.6
Convtd Paper&Paperbd Products	154,786	148,975	21,413	18,904	22,265	16,010	221,427	49.8
Wet Machine Board	10,728	4,638	1,133	498	657	330	11,478	15.5
Construction Paper & Board	19,132	7,918	2,632	1,154	2,381	915	24,853	50.0

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 23-Sep-87

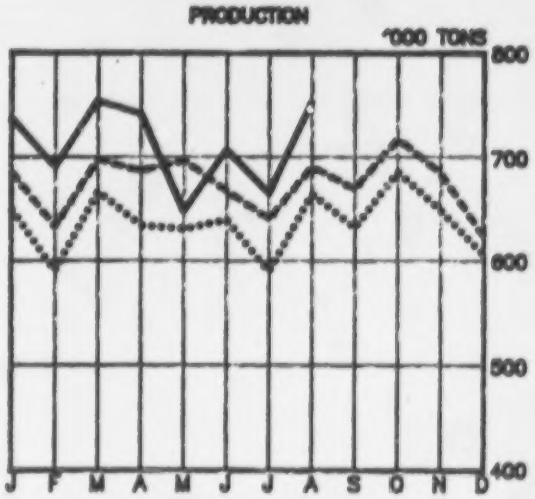
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



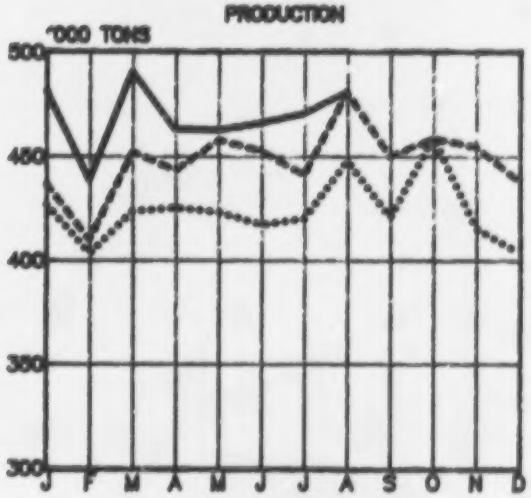
RECYCLED PAPERBOARD

PRODUCTION



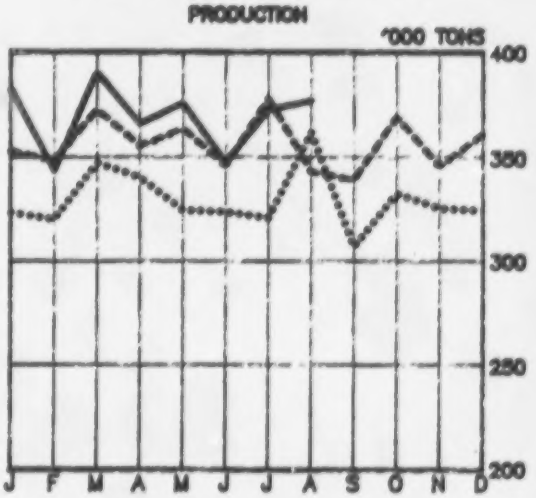
SEMICHEMICAL PAPERBOARD

PRODUCTION



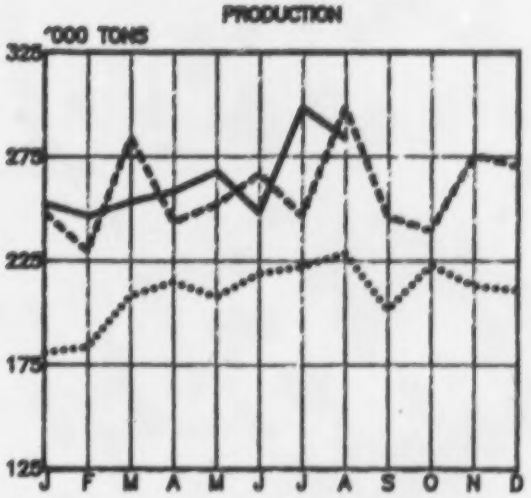
SOLID BLEACHED PAPERBOARD

PRODUCTION



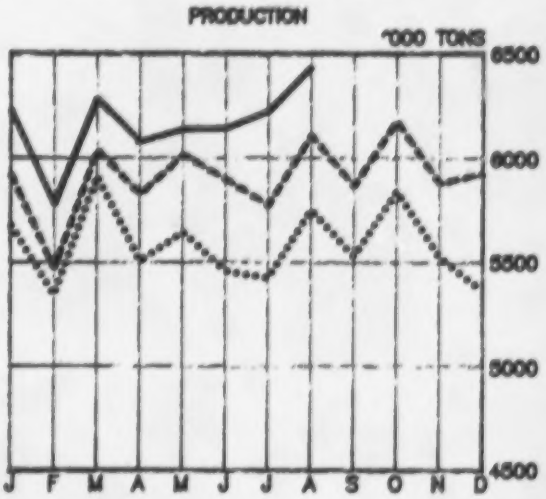
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ..... 1986 -----1987 ———

IMPORTS

	YEAR 1986 Tons	YEAR 1986 $000	1987 JUNE Tons	1987 JUNE $000	1987 JULY Tons	1987 JULY $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	28	3	2,186	212	4,894	-88.25
Pulpwood Chips	724,828	19,642	33,832	816	34,522	1,075	473,525	-43.15
Total All Imports	16,722,494	7,674,736	1,476,213	724,417	1,450,398	731,881	17,758,065	7.02
Wood Pulp, Total	4,581,760	1,601,378	389,512	169,303	400,779	168,075	4,862,311	7.14
Waste Paper	99,313	11,182	9,355	1,318	10,678	1,301	118,325	21.27
Other Fibrous Materials	104,969	26,326	7,669	2,725	4,770	1,857	89,320	-32.82
Paper Board & Products Total	11,936,452	6,035,850	1,069,677	551,071	1,034,172	560,648	12,688,109	7.31
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,034,941	468,118	1,003,093	484,756	12,269,113	7.05
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	1,043,396	542,469	1,003,813	551,397	12,362,346	7.63
Paper & Paperboard Only	11,206,901	5,139,735	1,008,660	459,516	972,734	475,505	11,943,350	7.38
Paper Total	10,925,453	5,051,917	977,901	448,565	951,279	468,283	11,575,827	6.55
Newsprint	8,587,507	3,682,351	776,130	330,774	741,405	345,162	9,026,431	4.28
Printing & Writing	2,029,302	1,179,802	171,350	97,747	180,923	105,691	2,182,123	13.78
Uncoated Groundwood	1,028,231	531,149	93,197	46,733	92,586	47,571	1,166,893	22.96
Coated Print.& Impreg. Pap.	501,382	359,495	49,492	33,100	57,244	39,022	584,651	21.38
Uncoated Free Sheet	453,638	254,627	24,798	14,523	26,689	15,758	376,676	-15.03
Uncoated Book	223,798	126,278	13,683	7,428	16,429	8,917	202,518	-10.49
Writing and Similar Paper	229,841	128,349	11,114	7,095	10,260	6,840	174,158	-19.76
Thin (except Cigarette)	45,351	33,831	3,788	3,311	4,321	3,244	52,969	22.36
Bristols	700	700	75	80	83	97	934	48.77
Total Pkg & Other Paper	242,571	146,212	23,817	15,324	25,187	14,501	309,155	33.65
Unbleached Kraft Paper	115,008	42,650	13,949	5,819	15,691	6,258	171,695	65.24
Other Pkg. & Indust. Paper	127,562	103,562	9,868	9,505	9,496	8,243	137,460	7.89
Tissue	66,073	43,552	6,605	4,719	3,764	2,929	58,118	-1.34
Paperboard, Total	281,448	87,818	30,759	10,952	21,455	7,222	367,523	42.01
Test or Containerboard	78,063	25,596	5,589	1,976	4,968	1,816	79,103	9.98
Semi-Chemical Corrugating	99,062	22,092	12,476	3,093	9,132	2,303	122,363	27.14
Other Paperboard	104,324	40,130	12,693	5,884	7,355	3,103	166,056	83.23
Convtd Paper&Paperbd Products	389,907	788,721	34,736	82,952	31,079	75,892	418,996	15.43
Paper Products, Total	361,517	730,257	31,928	77,189	28,476	70,815	383,977	14.91
Paperboard Products, Total	28,390	58,464	2,808	5,763	2,603	5,078	35,020	21.49
Wet machine Board	3,235	2,525	387	270	245	199	3,527	3.17
Construction Paper & Board	336,409	104,868	25,894	8,332	30,114	9,053	322,236	-3.87
Notes								
Other. No Weight Avail. ($000)		212,338		20,573		12,500	209,415	1.95
Total Imports Incl. Other($000)		7,887,074		744,989		744,381	8,955,992	16.61

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	42,190	2,373	0	0	0	0	5,002	-89.40
Pulpwood Chips	2,428,333	170,022	162,390	12,006	225,746	15,930	2,217,662	3.63
Total All Exports	13,171,872	4,685,557	1,307,947	537,728	1,277,018	523,128	14,447,422	11.32
Wood Pulp,Total	4,458,312	1,662,466	454,720	206,328	462,809	213,942	4,857,441	12.54
Cotton Pulp and Other Pulp	157,452	72,500	12,623	7,500	16,151	7,514	159,386	-5.23
Waste and Old Paper	3,748,711	411,076	347,890	44,587	352,519	45,481	4,177,824	13.06
Paper, Board & Products,Total	4,807,397	2,539,515	492,714	279,314	445,539	256,191	5,252,772	9.47
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,280,900	1,853,726	430,159	208,221	382,110	188,605	4,565,937	6.29
Paper, Ppbd & Prod ex Cnst&WMB	4,713,355	2,487,618	484,588	274,963	436,435	251,172	5,147,714	9.39
Paper & Paperboard, Only	4,186,858	1,801,828	422,033	203,869	373,005	183,586	4,460,879	6.13
Paper, Total	883,689	642,597	79,705	65,725	72,053	60,346	901,309	4.33
Newsprint	392,228	194,549	27,907	17,047	24,008	15,151	345,657	-0.66
Printing & Writing	190,656	185,271	23,615	21,835	21,632	20,627	232,587	18.93
Uncoated Groundwood	40,847	28,947	4,416	2,997	6,060	4,028	47,502	3.86
Clay Coated Paper	78,248	57,856	9,343	6,679	7,609	5,362	95,763	18.30
Uncoated Free Sheet	50,140	71,354	6,495	8,618	6,304	8,888	62,584	25.56
Other Printing & Writing	21,420	27,114	3,360	3,542	1,659	2,349	26,737	40.48
Total Pkg. & Other Paper	284,048	241,426	25,136	24,071	22,539	22,142	290,751	-4.56
Unbleached Kraft	78,248	32,009	6,321	2,845	8,671	3,850	86,286	11.30
Other Pkg. & Indust. Paper	205,800	209,417	18,815	21,226	13,868	18,292	204,465	-9.98
Tissue	16,758	21,351	3,047	2,772	3,874	2,427	32,315	105.75
Paperboard, Total	3,303,169	1,159,231	342,328	138,144	300,952	123,240	3,559,569	6.60
Solid Wood Pulp	2,982,973	1,074,964	304,410	123,411	267,358	109,619	3,262,411	10.00
Total Linerboard	2,177,420	635,749	225,840	79,174	199,802	71,366	2,321,815	7.02
Bleached Kraft Linerboard	133,787	51,448	5,000	2,350	13,732	5,502	71,750	-53.65
Unbleached Kraft Linerbd	2,043,633	584,301	220,840	76,824	186,071	65,864	2,250,065	11.68
Other Unbleached Kraft	157,614	57,548	20,250	7,559	16,750	6,483	219,056	38.14
Other Bleached Kraft	571,298	359,954	53,889	35,048	43,628	29,025	642,072	12.95
Semi-Chemical Corrugating	76,641	21,713	4,431	1,631	7,178	2,745	79,468	14.56
Recycled Paperboard	320,196	84,268	37,918	14,733	33,594	13,621	297,158	-20.38
Convtd Paper&Paperbd Products	526,497	685,789	62,555	71,094	63,430	67,586	686,835	36.63
Paper Products, Total	240,171	456,429	26,947	47,508	23,693	42,992	291,757	29.83
Paperboard Products, Total	286,327	229,360	35,608	23,586	39,737	24,594	395,078	42.12
Wet Machine Board	18,893	7,259	1,649	690	1,095	533	20,262	5.06
Construction Paper & Board E	75,149	44,639	6,477	3,662	8,010	4,486	84,796	15.38
Notes								
Other: No Weight Avail. ($000)		7,298		717		508	7,832	-3.38
Total Exports Incl. Other($000)		4,692,855		538,446		523,637	5,852,410	31.13

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	MAY 1987	JUNE 1987	JULY 1987	AUGUST 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	309.0	309.6	311.5	312.8	308.8	6.0
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	310.6	311.1	312.9	314.3	310.4	5.8
Total Wood Pulp	346.6	358.7	418.2	426.5	420.8	422.6	413.7	18.7
Total Paper	303.4	306.3	314.5	314.2	318.0	319.5	315.9	4.0
Total Paper, exc. Newsprint	298.8	300.4	300.6	300.3	303.8	305.4	304.1	2.0
Newsprint	332.9	326.1	343.1	343.1	355.8	367.1	347.2	7.2
Total Paperboard	274.6	271.9	296.2	295.1	296.3	300.7	294.9	9.8
Total Paper and Paperboard *	294.4	295.4	308.8	308.2	311.2	313.6	306.0	5.7
Converted Products	288.1	289.3	301.2	301.8	302.7	303.3	300.8	4.6
Waste Paper	148.8	172.8	217.5	221.8	226.2	227.0	215.2	36.1
All Commodities	308.9	299.8	307.3	308.5	310.2	310.5	300.9	1.8
Industrial Commodities	324.0	312.1	318.6	320.2	322.6	323.8	318.3	1.5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

increase in coated paper imports is coming largely from Canada, as is the major part of the increase in groundwood papers, but off-shore imports of groundwood papers have also shown significant gains. However, domestic production of uncoated groundwood papers, at 1.6 million tons per year, is equivalent to the reported capacity.

Exports:

Exports of paper, paperboard and products and of wood pulp are continuing to expand, reflecting the favorable export climate generated by the declines in the value of the dollar in the major export markets. Total exports of paper, board and products in the first 7 months of 1987 were at a record-high annual rate of 5.25 million tons. Bureau of Census data, reported on page 9, show total paper exports up 4.3%; paperboard 6.6%; wood pulp 12.5%.

LONG-TERM PAPER DEMAND TRENDS

New supply of paper (production plus imports less exports) rose at an average rate of 3.4% a year between 1976 and 1986. This compares favorably with the 2.8% a year rate of growth recorded by real GNP. Real GNP, which measures total output of goods and services in constant dollars, is a good indicator of activity in paper markets. Trend growth in new supply of paper has been fairly stable during the past decade. In fact, the 3.4% average annual growth pace recorded for 1976-1986 also prevailed between 1980 and 1986.

In contrast to the relative stability exhibited by the long-term trends, year-to-year growth rates for new supply have fluctuated more sharply than real GNP. The relative volatility exhibited by new supply stemmed largely from changes in inventory holdings at converting plants and at final users. For example, although new supply of paper matched the 2.5% decline in real GNP in

the recession year of 1982, it increased much faster than real GNP during the subsequent upswing of the business cycle. (See table at bottom of page 11.)

Within the grade structure, the fastest growing category has been printing-writing papers. New supply of printing-writing papers expanded at the average annual rate of 5.2% between 1976 and 1986. During the first half of 1987, new supply of these grades exceeded its year-ago total by 5.5%. The principal impetus to printing-writing paper demand has come from computer papers, office copy papers, and commercial printing largely for direct mail and newspaper inserts. Demand for papers used by magazines and other periodical publishers exhibited rapid growth in the 1976-84 period, but has slowed since then.

New supply of newsprint increased at an average rate of 2.7% a year between 1976 and 1986, which compares with real GNP growth of 2.8% a year. During the first half of 1987, new supply of newsprint exceeded its year-ago total by 4.1%. Consumption of newsprint has mainly been paced by increases in newspaper advertising linage and inserts. U.S. circulation of daily newspapers has traced a flat trend for more than a decade, while sales of Sunday editions continued to edge up at the sluggish pace of 1% a year.

New supply of tissue products rose at an average annual rate of 2.1% between 1976 and 1986, which was slower than real GNP growth, but substantially faster than population growth, which has been running at about 1% a year. Gains in per-capita tissue paper consumption reflect rising family incomes and an unending quest for convenience products on the part of two-earner families and other consumers.

New supply of packaging and industrial converting papers held approximately flat between 1977 and 1984, but ebbed 5.8% in 1985 and 1.1% last year. The recent declines probably reflect displacement by plastics.

TOTAL PAPER

	Production	Imports	Exports	New Supply	Real Gross National Product ($ Bil. 1982 Prices)	Ratio of New Supply to Real GNP (000 tons/Bil $)
	(000 tons)					
1976	26,554	6,864	928	32,490	2826.7	11.49
1983	32,788	8,190	774	40,204	3279.1	12.26
1984	34,429	9,903	811	43,521	3501.4	12.43
1985	33,996	10,261	779	43,478	3607.5	12.05
1986	35,443	10,643	884	45,202	3713.3	12.17
1987*	35,892	11,120	901	46,111	3784.3	12.18

* First half of 1987 at annualized rate.
Note: See also Footnote 1/ on page 12.

PRINTING-WRITING PAPERS

	Shipments	Imports	Exports	New Supply	Ratio of New Supply to Real GNP 000 Tons/Bil.$
	thousand tons				
1976	13,184	278	206	13,256	4.69
1983	17,334	1,346	202	18,478	5.64
1984	18,383	2,256	204	20,436	5.84
1985	18,423	2,309	203	20,529	5.69
1986	19,601	2,578	191	21,988	5.92
1987*	20,004	2,711	229	22,486	5.94

NEWSPRINT

	Production	Imports	Exports	New Supply	Ratio of New Supply to Real GNP 000 Tons/Bil.$
	thousand tons				
1976	3,736	6,308	127	9,917	3.51
1983	5,167	6,725	295	11,597	3.54
1984	5,539	7,471	306	12,704	3.63
1985	5,428	7,724	314	12,838	3.56
1986	5,630	7,756	392	12,994	3.50
1987*	5,638	8,038	348	13,328	3.52

TISSUE

	Shipments	Imports	Exports	New Supply	Ratio of New Supply to Real GNP 000 Tons/Bil.$
	thousand tons				
1976	4,184	2	20	4,166	1.47
1983	4,792	12	16	4,788	1.46
1984	4,921	30	17	4,934	1.41
1985	4,941	56	18	4,979	1.38
1986	5,095	66	17	5,144	1.39
1987*	5,210	60	30	5,240	1.39

PACKAGING AND INDUSTRIAL CONVERTING PAPERS

	Shipments	Imports	Exports	New Supply	Ratio of New Supply to Real GNP 000 Tons/Bil.$
	thousand tons				
1976	5,451	57	357	5,151	1.82
1983	5,495	108	262	5,341	1.63
1984	5,586	146	284	5,447	1.56
1985	5,205	172	244	5,133	1.42
1986	5,117	243	284	5,076	1.37
1987*	5,040	310	294	5,056	1.34

* First half of 1987 at annualized rate.

1/ Includes imports from Canada as reported by the Canadian Pulp and Paper Association.